

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5364
ANSWERED ON:22.12.2000
NON-BANKING FINANCIAL COMPANIES
ANANTRAO GUDHE

Will the Minister of FINANCE be pleased to state:

- (a) the number of non-banking financial institutions registered in the country as on date:
- (b) whether the Government are aware that several non-banking financial institutions have duped the people of their money; and
- (c) if so, the action taken by the Government against such companies?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) : The Reserve Bank of India (RBI) has reported that it has approved applications for issue of Certificates of Registration in respect of 11887 Non-Banking Financial Companies (NBFCs)

(b)&(c) Complaints have been received from depositors against some NBFCs who have failed to repay their deposits. RBI on receipt of complaints regarding default in repayment of deposits or on noticing other serious irregularities through inspections or otherwise, takes necessary action against the erring NBFCs like issue of Prohibitory Orders, restraining company from accepting deposits and alienating its assets, filing of winding up petitions and launching of criminal complaints. RBI has also appointed Special Officers to monitor the repayment of deposits in certain problematic companies.

Chapter IIIB of RBI Act was amended in January, 1997 providing new safeguards for depositors protection and vesting enhanced powers with RBI for effective regulation and supervision of NBFCs. Government has also introduced a new Bill in the Parliament. Provisions of the new Bill are expected to regulate these companies strictly and provide better protection to the depositors.